ARTICLE APPEARED ON PAGE 13

LOS ANGELES TIMES 10 October 1981

Intelligence Rule Changes Defended Plan Held to Relax Restrictions in Only-3 Significant Ways

By ROBERT C. TOTH, Times Staff Writer

WASHINGTON—The Reagan Administration's new draft of intelligence guidelines, despite criticism by congressional Democrata and liberal groups, relaxes the present restrictions on intelligence agency operations in only three significant ways, intelligence sources said Friday.

The dozen or more additional complaints against the proposal, which would supersede the Carter Administration's executive order 12036 of 1978, are not valid for reasons that will become apparent when the text of the draft is released, perhaps next week, the sources said.

However, an American Civil Liberties Union special ist on the issue, Jerry Berman, maintained that the changes are significant and more numerous than the in telligence sources claimed.

One major congressional objection to the new draft is that it has no provision for a National Security Council committee to oversee intelligence on behalf of the President.

The absence of such a provision, and other aspects of

the proposed order have raised the possibility that covert activity by the Central Intelligence Agency again could be conducted without presidential approval, Sen. Walter D. Huddleston (D-Ky.) said.

In fact, intelligence sources said, a review committee already exists within the national security apparatus to screen intelligence operations. An older committee and other parts of the NSC apparatus were dismantled and reorganized under the new Administration, the sources said, and the new organizational structure has not yet been announced

Presidential Approval-Dealing more specifically with the matter of unauthorized activities, a separate document directs the CIA to undertake "only operations approved by the President," the sources said.

In what was the first specific defense of the proposed executive order offered so far, intelligence sources identified the three areas in which the CIA and other intelligence agencies would have broader license as

"Very limited" covert actionaby the CIA in the United States aimed at foreign activity only Such domestic operations now are off-limits to the CIA. The foreign activity in the United States that could be the object of such covert action might involve foreign diplo-

mats in international organizations, such as the United Nations.

Physical surveillance of a foreign agent in the United States by the CIA. This would be aimed only at agents who are identified almost and followed the circumstance of the circumst agents who are identified abroad and followed into the United States by the CIA. Now, such surveillance must be turned over automatically to the Federal Bureau of Investigation at the U.S. border. The new order would allow the Cla to continue the surveillance "in a very restricted fashion and only in "full coordination" with the FBI, the sources said

Definition of who is a "United States person" would be narrowed. Now, an alien in the United States must be treated as a "permanent resident alien," and afforded all the rights of a U.S. citizen for intelligence collection purposes. The new order-would treat newcomers as aliens with less legal protection until their status was clarified. This change is justified, the sources said, by experience during the Iranian hostage period, when Iranians of questionable status traveled freely with immunity from some surveillance ACLU lawyer Berman said Friday that he was somewhat sympathetic" to the proposed order on the alien issue. But he insisted that other significant changes go further toward "unleashing" the CIA than the three identified by the intelligence sources. Citing press reports about the new order, Berman said the ACLU is critical of the section allowing the CIA to collect intelligence data in the United States because it "drops the standards." Now, the government must show cause why the target is "unreasonably believed" to be a foreign agent. Such cause would not have to be shown under the new order, Berman said.

Berman also said that the new order would permit the

CIA to infiltrate a domestic U.S. organizational influence its policy if the attorney general approves. The

present order forbids such participation for the pur-pose of influencing policy